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MASTER

MOORAGE AND GRAVING DOCK RENTAL AGREEMENT

IT IS AGREED this 22<sup>nd</sup> day of JANUARY, 198<sup>7</sup>  
between DUWAMISH SHIPYARD, INC., a Washington  
corporation whose principal place of business and mailing address  
is 5658 West Marginal Way S.W., Seattle, Washington 98106,  
(DUWAMISH) and GENERAL CONSTRUCTION COMPANY, a division of WRIGHT  
SCHUCHART, INC., whose mailing address is P. O. Box 24506,  
Seattle, Washington 98124, (GENERAL), as follows:

ARTICLE 1. SERVICES TO BE FURNISHED

If space is available at its Yard #2, 5500 W. Marginal  
Way S.W. GENERAL will provide space for the purpose of mooring  
DUWAMISH'S customers' vessels for work afloat and or use of  
GENERAL'S graving dock for working on vessels in the dry.

ARTICLE 2. CHARGES

2.1 DUWAMISH shall pay moorage or docking charges to  
GENERAL for the service provided for in this Agreement at the rate  
negotiated for each use of the facilities. The negotiated fees  
for each use shall be on a signed attachment to this agreement.

2.2 Payment of the charges (and any other amounts  
required by this Agreement to be paid to GENERAL) shall be made  
by DUWAMISH to GENERAL, without discount or setoff, at the address  
specified in the preamble within thirty (30) days of the date of  
the invoice by GENERAL to DUWAMISH.

ARTICLE 3. DURATION OF AGREEMENT

This Agreement can be terminated by either party at any  
time by fifteen (15) days advance written notice addressed to the  
respective address of the other party as set forth above in the  
preamble.

ARTICLE 4. LIMITATION OF AND EXEMPTIONS FROM LIABILITY

4.1 GENERAL, its affiliates, employees, and agents,  
shall not be responsible for any loss, damage, injury, or death  
arising or resulting from any loss caused by DUWAMISH'S actions or  
omissions under this Agreement.

4.2 Except as otherwise expressly set forth in this  
Agreement, GENERAL makes no express warranty of any kind with  
respect to its performance and, to the extent permitted by law,  
disclaims all implied and statutory warranties of any nature  
whatsoever, including, without limitation, any warranty of work-  
manlike service. Neither GENERAL nor DUWAMISH shall be liable for  
any incidental or consequential damages of any nature whatsoever.

(2)

#### ARTICLE 5. INDEMNITY

5.1 DUWAMISH shall indemnify, defend and hold GENERAL harmless from all claims, demands, actions, causes of action and liabilities of any nature whatsoever, (including costs and attorney's fees incurred by GENERAL in defending against all such liabilities or in enforcing this indemnity provision) which, during the term of performance of this Agreement, arose out or were connected with (i) failure of DUWAMISH to perform or satisfy any covenant or condition required by the terms of this Agreement to be performed or satisfied by DUWAMISH, (ii) negligent acts or omissions or other fault of DUWAMISH, or (iii) violation by DUWAMISH of any environmental pollution statute or regulation for pollution attributable to DUWAMISH'S, or their customers vessels or cargo aboard them if any, (iv) negligent acts or omissions or other faults of DUWAMISH'S clients, customers, visitors or other parties.

5.2 All obligations and liability of DUWAMISH to indemnify, defend and hold GENERAL harmless pursuant to the terms of this Agreement shall survive termination, cancellation or expiration of this Agreement.

#### ARTICLE 6. CUSTOMER INSURANCE

As part of the bargained for consideration for this Agreement DUWAMISH or their client vessel owners shall procure and maintain, at its sole cost and expense, during the entire period of performance of this Agreement by GENERAL, the following insurance:

6.1 Hull and Machinery Insurance or at DUWAMISH'S, or vessel owner's, option, Self-Insurance, upon the vessel in an amount equal to their full actual value, on terms equivalent to the broadest coverage available from American underwriters, provided, any deductible or franchise shall be for the sole account of DUWAMISH or vessel owners; and

6.2 Protection and Indemnity Insurance insuring its liability as owner of the vessel for, without limitation, wreck removal expenses and for third party claims (including those of its employees) arising from death or personal injury, or from loss of or damage to property, with a minimum limit of \$1,000,000 applicable to any one accident or occurrence, provided, any deductible or franchise shall be for the sole account of DUWAMISH or vessel owners; and

6.3 Pollution Insurance, if a vessel or anything aboard it contains oil or hazardous substances, insuring (i) costs of cleanup in the event of a spill or leakage (with a minimum limit sufficient to meet any minimum amount required by law), and (ii) liability for third party claims in the event of a spill or leakage (with a minimum limit of \$2,500,000 applicable to any one accident or occurrence), provided, any deductible or

(3)

6.4 Workers' Compensation Insurance (including LSHWA coverage) with limits satisfactory to meet any statutory requirements and Employer's Liability Insurance with limits of not less than \$1,000,000 for any one occurrence;

6.5 Comprehensive General Liability and Automotive Insurance with limits of not less than \$1,000,000 for any one occurrence as to bodily injury and property damage. Comprehensive General Liability coverage shall include (but not limited to) Blanket Contractual and Broad Form Property Damage endorsements.

6.6 Each of the aforesaid policies shall provide for thirty (30) days' notice to GENERAL of cancellation ~~or modification~~. The insurance required by Article 6.1 shall also name GENERAL and its affiliates as additional assureds and expressly waive subrogation against GENERAL and its affiliates, any vessel used by GENERAL and its affiliates in the performance of this Agreement and the master and crew thereof.

It is the intent of GENERAL and DUWAMISH that all liabilities of GENERAL and its affiliates, any vessel used by GENERAL or its affiliates in the performance of this Agreement and the master and crew of such vessel, arising out of or connected with this Agreement shall be covered by appropriate insurance and the rates prescribed for the moorage have been predicated on this basis. Each of the aforesaid policies shall be endorsed to provide that they are primary with respect to any covered risk or liability also insured under a policy paid for by GENERAL.

6.7 Prior to use of the facilities under this Agreement, or as soon thereafter as is practicable, DUWAMISH shall furnish GENERAL with certificates evidencing compliance with this Article 6. No act of GENERAL shall constitute a waiver of compliance with this Article 6 by DUWAMISH.

#### ARTICLE 7. GENERAL' LIEN

GENERAL shall have a maritime lien on any vessels repaired in its facilities to secure payment of any amounts due under this Agreement.

#### ARTICLE 8. GENERAL PROVISIONS

8.1 All notices and communications required by the terms of this Agreement from GENERAL to DUWAMISH and from DUWAMISH to GENERAL shall be in writing and addressed to the respective address of the other party as set forth in the preamble or such other address of which the party seeking to give notice has been advised in writing.

8.2 This instrument and the attached fee schedules for each job constitutes the entire agreement between the parties with respect to the intended service. Neither party is relying or may rely on any written or oral collateral, prior or contemporaneous agreement, assurance, representation or warranty

(4)

No modification of this instrument shall be implied in law, equity or admiralty, nor shall any express modification be effective unless in writing signed by the party to be charged.

8.3 In the event payment is not made when due, GENERAL shall be entitled to charge to and recover from DUWAMISH all costs and expenses, including reasonable attorney's fees, incurred in collecting the overdue amount. All sums due and to become due under this Agreement, if unpaid when due, shall, if permitted by law, bear interest at the rate of twelve percent (12%) per annum from and after the date upon which the same shall have become due and payable pursuant to the terms of this Agreement until paid in full. If the aforesaid rate is not permitted by the law of the State of Washington or of the United States, whichever is controlling, the interest rate applicable to delinquent payments shall be the maximum allowed to be agreed to under the law of the State of Washington or of the United States, whichever is controlling.

8.4 Captions used in this Agreement are for convenience of reference only and shall have no force or effect or legal meaning in the construction or enforcement of this Agreement.

8.5 This Agreement shall be for the benefit of and be binding upon both parties, their successors and permitted assigns.

8.6 Any suit, action or proceeding brought by either party in consequence of or to enforce any term or provision of this Agreement shall be commenced in the King County Superior Court of the State of Washington or the United States District Court for the Western District of Washington at Seattle, Washington, as appropriate. DUWAMISH submits to the jurisdiction of the courts of the State of Washington and the United States District Court for the Western District of Washington and consents to service of process by certified mail, return receipt requested, addressed in accordance with Article 8.1 above. The prevailing party in any such suit, action or proceeding shall be entitled to recover its costs of suit and reasonable attorney's fees.

8.7 The interpretation of this Agreement and of the rights and obligations of the parties in law, equity or admiralty shall be governed by the substantive law of the State of Washington and the general maritime law of the United States, insofar as applicable.

8.8 If the term or provision, or any part of any term or provision, of this Agreement is held by any court or other competent authority to be illegal or unenforceable, the remaining terms, provisions, rights and obligations shall be affected.

(5)

ARTICLE 9 WARRANTY OF PERSON SIGNING

The person signing below on behalf of DUWAMISH warrants (i) having read and understood the above provisions, and (ii) having been authorized to sign this Agreement on behalf of DUWAMISH.

ACCORDINGLY, the parties have signed this Agreement as of the date first set forth above.

GENERAL CONSTRUCTION COMPANY, a  
division of Wright Schuchart, Inc.

By William Allan

Its S.R.V.P./G.M.

GENERAL

DUWAMISH SHIPYARD, INC.

By David W. Larsen

Its president

DUWAMISH

ATTACHMENT NO. 16 TO MASTER

MOORAGE AND GRAVING DOCK AGREEMENT OF JANUARY 22, 1987

This attachment is to cover the work on the BARGE 408. In addition to the lay day graving dock charges of \$500.00 per day on a six day per week basis agreed previously, this Attachment outlines the other charges and conditions agreed to for the work on the BARGE 408. Job to begin approximately September 27, 1988 and estimated date of completion is October 11, 1988.

ADDITIONAL CHARGES

1. Graving dock gates in or out, all supervision, labor and equipment by General Construction Company.  
.....\$1,500.00 each way
2. Whirley crane rental, unoperated, 1 hour minimum.  
.....\$75.00/hour

ADDITIONAL CONDITIONS

1. All electrical service costs for pumping, lighting, cranes, welding, etc., for Duwamish Shipyard's account.
2. All personnel access from Duwamish Shipyard's property, unless otherwise arranged.
3. Duwamish Shipyard stipulates that it has applied for the required U.S. National Pollution Discharge Elimination Permit and/or other required permits for clean-up or disposal of sand blasting sand and/or paint residues.
4. Duwamish Shipyard will furnish their own pumps.

Accordingly, the parties to the Master Moorage and Graving Dock Rental Agreement dated January 22, 1987 have also agreed to this Attachment on this 26<sup>th</sup> day of SEPTEMBER 1988.

GENERAL CONSTRUCTION COMPANY,  
a division of Wright Schuchart, Inc.

By: J. R. A.

Its: CONTRACT MANAGER

DUWAMISH SHIPYARD, INC.

By: Donald A. Mahery

Its: SECRETARY TREASURER